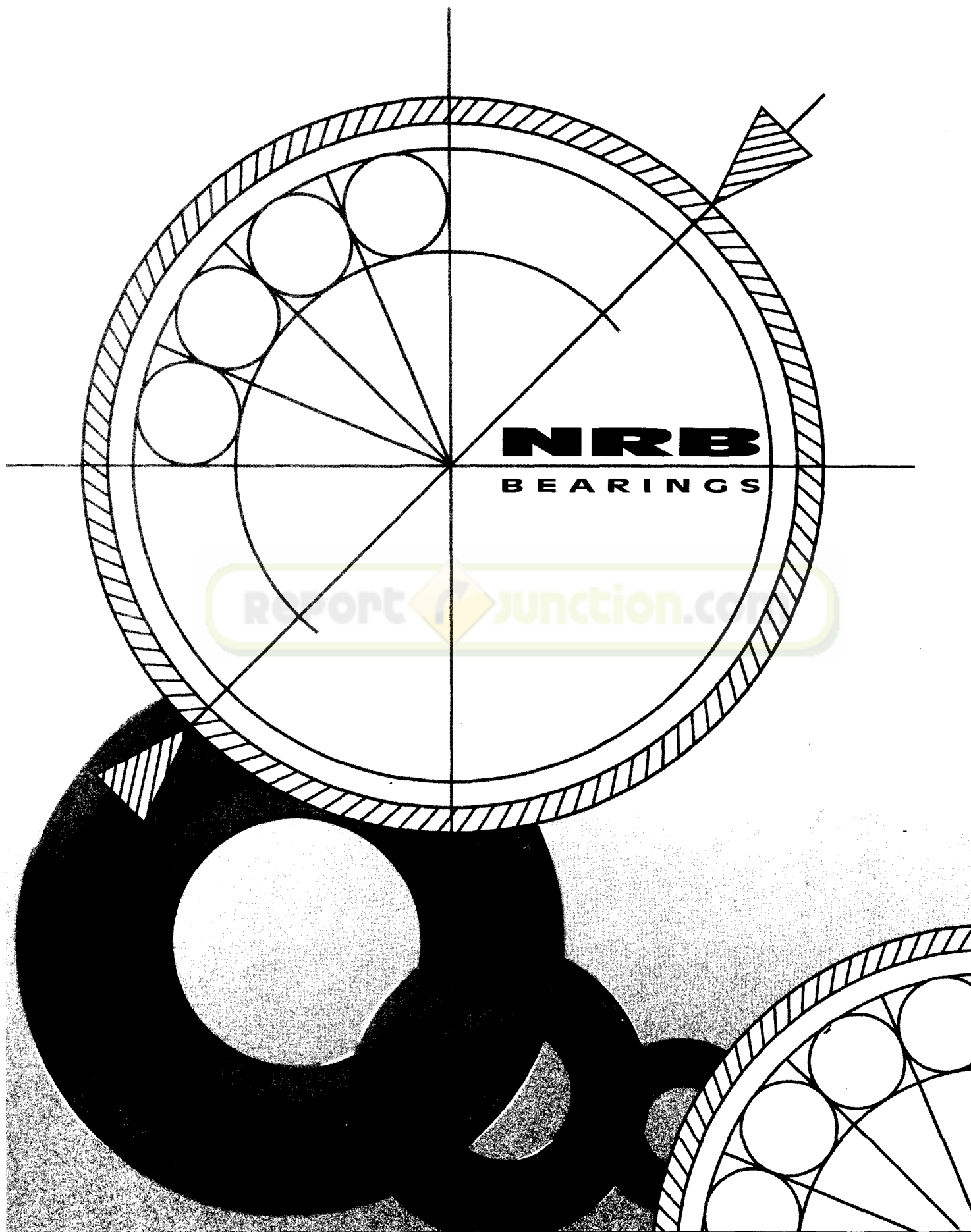


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FINANCIAL HIGHLIGHTS 2001-02 TO 2005-06

Rs.in lacs

Year ended 31st March	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06
OPERATING RESULTS					
Sales (Net)	12831.18	14547.00	17491.40	21455.91	25464.15
Operating profit	2395.07	3122.21	4128.37	5394.11	6547.12
Depreciation	949.22	1037.22	1019.81	1103.09	1280.79
Profit before Tax	1445.85	2084.99	3108.56	4291.02	5266.33
Tax (Net)	529.20	783.93	1073.35	1561.81	1864.79
Profit after Tax	916.65	1301.06	2035.21	2729.21	3401.54
Retained Earnings	432.04	646.83	1215.15	1624.05	2020.08
Dividend	484.61	581.54	726.92	969.23	1211.54
Tax on dividend	—	72.69	93.14	135.93	169.92
Earnings per share of Rs.10/- each (Rs.)	9.46	13.42	21.00	28.16	35.10
Dividend %	50.00	60.00	75.00	100.00	125.00

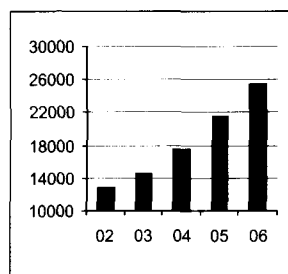
SOURCES AND APPLICATION OF FUNDS

Sources of Funds

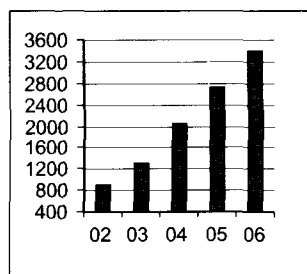
Shareholders' Funds	8210.16	8856.99	10072.14	11696.19	13716.27
Loans	3975.00	3272.99	3415.82	2766.11	7518.50
Deferred Tax	953.09	962.02	810.37	697.18	918.54
Funds Employed	13138.25	13092.00	14298.33	15159.48	22153.31

Application of Funds

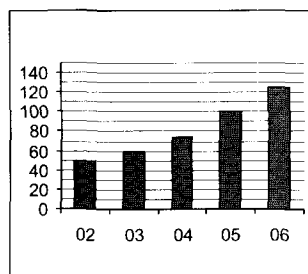
Fixed Assets (Gross)	14994.14	15950.30	16688.03	18135.20	23252.55
Depreciation	8323.06	9353.69	10368.57	11469.94	12748.32
Fixed Assets (Net)	6712.93	6596.61	6319.46	6665.26	10504.23
Investments	167.73	1167.73	1167.73	1181.81	1582.68
Net Current Assets	6257.59	5327.66	7631.20	7312.41	10066.40
Net Assets Employed	13138.25	13092.00	15118.39	15159.48	22153.31



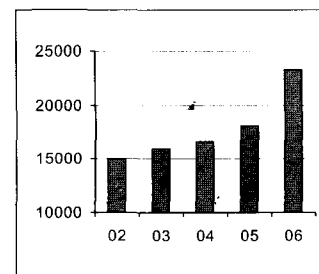
SALES (NET)



PROFIT AFTER TAX



DIVIDEND



GROSS BLOCK

ANNUAL REPORT

2005-2006

Directors	:	Trilochan Singh Sahney, <i>Chairman & Managing Director</i> B R Sule P D Ojha Kala S Pant Harshbeena S Zaveri K M Elavia Devesh S Sahney
Bankers	:	Canara Bank Citibank N.A. BNP Paribas
Auditors	:	A.F.Ferguson & Co.
Solicitors	:	Wadia Ghandy & Co.
Registered Office	:	Dhannur, 15 Sir. P M Road, Fort Mumbai 400 001
Works	:	Pokhran Road No.2, Majiwade Thane 400 606 E-40, M.I.D.C. Industrial Area, Chikalthana Aurangabad 431 010 C-6, Additional M.I.D.C. Industrial Area Jalna 431 203 E-72, (I) & (II) M.I.D.C., Waluj Aurangabad 431 133 A-5, Uppal Industrial Estate Hyderabad 500 039
Registrar & Share Transfer Agent	:	Mondkar Computers Pvt.Ltd. 25, Shakil Niwas, Mahakali Caves Road Andheri (East), Mumbai 400 093 Tel: 2836 6620, 2826 2920 Fax: 2836 9704, 28257641

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AGM NOTICE

The Members,
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of the members of the Company will be held at M C Ghia Hall, K Dubash Marg, Mumbai 400 001 on Friday, 11th August, 2006, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Accounts, Balance Sheet, Cash Flow Statements and the reports of the Directors and Auditors for the year ended 31st March, 2006.
2. To declare a final dividend for the year ended 31st March, 2006.
3. To appoint a Director in place of Ms. K S Pant who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. D S Sahney who retires by rotation and is eligible for re-appointments.
5. To consider and if thought fit, to pass with or without modifications, the following resolution:

"RESOLVED THAT M/s.A F Ferguson & Co., Chartered Accountants, Mumbai be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

Appointment of Mr. K M Elavia as a Director of the Company

"RESOLVED THAT Mr. Keki M Elavia in whose respect, notice has been received from a member under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

Payment of commission to Non Executive Directors

"RESOLVED THAT in accordance with the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, in accordance with clause 49 of the Listing Agreement and Article 116(3)(b) of the Articles of Association of the Company, the Directors (excluding the Managing Director, the Whole-time Directors) be paid for the period commencing from April 1, 2006 to March 31, 2009, a yearly commission (to be divided amongst them in such manner as the Board of Directors may from time to time determine) of such amount as may be determined by the Board of Directors but not exceeding an amount equal to 0.125% of the net profits of the company and that the net profits of the company shall be computed in the manner prescribed under Section 198(1) of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to take such steps, as may be necessary, desirable or expedient to give effect to the resolution."

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

Amendment of Articles of Association

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to the alteration of such Articles of the Articles of association of the Company as detailed below.

Article 129 and Article 137(a) : By substituting the word "NRB" by the words Trilochan Investments Co. Pvt. Ltd. ("TIC").

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to and empowered to do all such acts, deeds, matters and things as may be necessary, appropriate and desirable to give effect the resolution."

By Order of the Board

S. C. Rangani
Secretary

June 21, 2006

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.

2. The relative explanatory statement pursuant to Section 173 of the companies Act 1956 in respect of special business item 6 is annexed hereto.

3. The Register of Members of the Company and Transfer Books thereof will be closed from Monday 31st July, 2006 to Friday 11th August, 2006 (both days inclusive).

4. The dividend after declaration, will be paid to those shareholders whose name stand on the register of members on 11th August, 2006 (in respect of shareholders holding physical shares). The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares whose names appear in the list furnished by the depositories for this purpose as on 31st July, 2006.

Members and all others concerned are requested to lodge transfer deeds, change of address communication, mandates (if any) with the Company's Share Transfer Agents M/s. Mondkar Computers Pvt.Ltd., 25, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 on or before 31st July, 2006 in respect of shareholders holding physical shares, while in respect of shares held in the electronic form such details should be furnished to the respective depository participants.

5. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the company will print the bank account details if available, on the payment instrument for distribution of dividend.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under items 6 - 8 in the accompanying notice dated 21st June, 2006.

Item No.6**Appointment of Mr. K M Elavia as a Director of the company**

Mr. Keki M Elavia was appointed by the Board of Directors as an Additional Director w.e.f. 30.01.2006. As per the provisions of the Companies Act, 1956, Mr. Elavia holds office upto the date of the forthcoming Annual General Meeting. The company has received a notice from a member under the provisions of Section 257 of the Companies Act, 1956 proposing Mr. Elavia as a candidate for the office of Director.

The proposal for the appointment of Mr. Elavia as Director on the Board is placed before the members for approval as set out under item no. 6 of the accompanying Notice. The Board recommends the Resolution for approval of members. Except Mr. Elavia no other Director is concerned or interested in the resolution.

Item No.7

Payment of commission to Non Executive Directors

In view of the efforts put in, contributions made and increased responsibilities shouldered by the non-executive Directors, it is appropriate that they be paid commission over and above the sitting fees, for a period of 3 years from April 1, 2006 to March 31, 2009 as set out in the Special Resolution under item no.7 of the accompanying Notice.

In accordance with Clause 49 of the Listing Agreement, it is proposed that the Non-Executive Directors (excluding the Managing Director and Whole-time Directors) be paid commission in addition to sitting fees subject to approval of shareholders, within the aforesaid limits.

The eligible Directors may be deemed to be concerned or interested in the payment of commission to them.

Item No.8

Amendment of Articles of Association

Inadvertently in the printed Articles of Association of the company, in the Articles 129 and 137(a) the word "NRB" has been used instead of "Trilochan Investments Co. Pvt. Ltd. (TIC)". Therefore these Articles of Association need to be amended under the approval of the shareholders by a Special Resolution.

The Board recommends the Resolution for approval of members. Mr. T S Sahney, Ms. H S Zaveri and Mr. D S Sahney, as Directors of Trilochan Investments Co. Pvt. Ltd. (TIC), may be deemed to be interested in the resolution.

Notes on Directors seeking reappointments

As required under Listing Agreement, particulars of Directors who are to be reappointed are given below:

1. Dr. (Ms.) K. S. Pant

Age	71 Years
Qualification	Bachelors degree in Science followed by post graduation in Statistics applied to Economics and Industry and Doctoral Research work by quantitative methods in the field of banking and transport
Experience	42 years training in the field of Management and Research methodology, Research in the problems of transport, ports, infrastructure benefits/cost analysis and both at macro and micro level
Director Since	1998
List of other Directorships	Temptation Foods Ltd.
Membership in Committees in other companies	Temptation Foods Ltd. : Chairman-Audit Committee
No. of shares held	Nil

2. Mr. D. S. Sahney

Age	38 Years
Qualifications	Bachelor of Arts degree (Business Administration & Economics) from Richmond College, London and Master in Business Administration (General management) from the Asian Institute of Management (Philippines)
Experience	13 years
Director Since	May 2001
List of other Directorships	None
Membership in Committees in other companies	None
No. of shares held	350460

3. Mr. K. M. Elavia

Age	60 Years
Qualifications	B.Com (Hons) FCA
Experience	34 years of post qualification experience
Director Since	30.01.2006
List of other Directorships	<ol style="list-style-type: none"> 1. Allcargo Global Logistics Limited 2. Bombay Metal and Alloys Manufacturing Co. Ltd. 3. Goa Carbon Ltd. 4. Grover Vineyards Ltd. 5. Paradeep Carbons Ltd. 6. Sulzer India Ltd. 7. Uni Abex Alloy Products Ltd 8. Uni Deritend Ltd. 9. Uni Klinger Ltd.
Membership in Committees in other companies	<ol style="list-style-type: none"> 1. Chairman of Audit Committee – Paradeep Carbons Ltd. 2. Member of Audit Committee and Shareholders'/Investors' Grievance Committee and Share Allotment/Transfer Committee- Sulzer India Ltd. 3. Chairman of Audit Committee – Uni Abex Alloy Products Ltd. 4. Chairman of Audit Committee – Unit Deritend Ltd. 5. Chairman of Audit Committee-Allcargo Global Logistics Ltd. 6. Member of Audit Committee-Goa Carbon Ltd.
No. of shares held	Nil

DIRECTORS' REPORT

To
The Members
NRB BEARINGS LIMITED
Mumbai

Your Directors have pleasure in presenting their Fortyfirst Annual Report together with Audited Accounts for the year ended 31st March, 2006.

1. Financial Results

	Year ended 31 st March, 2006 Rs.lacs	Year ended 31 st March, 2005 Rs.lacs
Profit before providing for Depreciation and taxation	6547.12	5394.11
Less: Depreciation	1280.79	1103.09
Provision for taxation		
Current	1567.43	1675.00
Deferred	221.36	(113.19)
FBT	76.00	0
Profit after taxation	3401.54	2729.21
Add: Balance brought forward	3540.80	2189.68
	<u>6942.34</u>	<u>4918.89</u>
Appropriation:		
Dividend : Interim	726.92	0
Final	484.62	969.23
Tax on distributed profits	169.92	135.93
General Reserve	4000.00	272.93
Profit & Loss Account	1560.88	3540.80
	<u>6942.34</u>	<u>4918.89</u>

2. Dividend

An interim dividend of Rs.7.50 per share (75%) was paid during the year.

Directors recommend final dividend of Rs.5.00 per share (50%) payable to members/beneficial owners as per the Register of Members as applicable, making a total dividend of Rs.12.50 per share (125%) aggregating Rs.1211.54 lacs.

3. Operations

The company has posted its highest- ever sales revenue and profits during the year.

Sales (net of excise duty) for the year ended 31st March, 2006 were Rs.25464 lacs as against Rs.21456 lacs in the previous year, an increase of 18.7%. Profit before tax (PBT) was at Rs.5266 lacs as compared to Rs.4291 lacs in 2004-05, outperforming the previous years all time high PBT. After providing for current and deferred taxes, the Profit after tax (PAT) was Rs.3402 lacs (Rs.2729 lacs in 2004-05), setting a new record again from the previous years high.

The Indian economy has continued to be buoyant during the year with good growth in the demand for goods and services. As a result the corporate sector has enjoyed the benefits of strong growth. Further, the entry of new domestic and international companies in almost all sectors has forced the Indian corporates to become more competitive by reducing costs, improving product quality, providing better customer support and new product introductions, which have all contributed to the achievement of the company's best performance yet.

As required under the new Accounting Standards, related party transactions, calculations of earnings per share, provision of deferred tax liability and consolidated accounts of the company and its subsidiaries are made a part of the Annual Report.

4. Public Deposits

The company has not taken fixed deposits during the year. There are 26 deposits aggregating Rs.1.72 lacs lying unclaimed, in spite of reminders.

5. Directors

Timken France SAS (erstwhile Nadella SA France) withdrew the nomination of its EX-Officio Director Mr. Dennis J Noel, consequent upon the divestment of its entire shareholding in the company w.e.f. 14th November, 2005. His alternate, Mr. K M Elavia and Mr. G W Robinson resigned from the Board from the same date. The Board recorded their appreciation of the contributions made by Mr. Dennis Noel and Mr. G W Robinson during their tenure as directors.

Mr. K M Elavia was co-opted as Additional Director w.e.f. 30th January, 2006 and holds office upto the forthcoming Annual General meeting. The company has received a notice from a member under the provisions of section 257 of the Companies Act, 1956 proposing Mr. Elavia as a candidate for the office of Director.

Dr. K S Pant and Mr. D S Sahney retire by rotation pursuant to Article 111 of the Articles of Association and are eligible for reappointment.

6. Subsidiaries

As of 31st March, 2006 the company has only one subsidiary viz. SNL Bearings Ltd (SNL). The consolidated results include the working of this subsidiary.

7. Information regarding employees

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), 1975 forms part of this report.

8. Conservation of energy, Technology absorption, Foreign exchange earnings and outgo

Information required as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been given in the Annexure forming part of this report.

9. Industrial Relations

During the year the company maintained cordial relations with the workmen's unions at all plants.

Fresh settlements for an ongoing period of 3 years from April/May 2005 have been signed with the workmen at Thane and Waluj plants with the assurance of mutually settled productivity increases by the workmen.

10. Safety and Environment

The company is committed to create a safe and healthy working environment. During the year the company has received certification for Environment Management System ISO 14001:2004 and OHSAS:18001:1999 for the manufacturing units at Thane, Aurangabad, Waluj, Hyderabad and Jalna.

11. Corporate Governance

Pursuant to clause 49 of the listing agreements with the stock exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

The Code of Conduct for directors and Senior Management personnel of the company, as approved by the Board, has been affirmed on an annual basis by all the directors and the Senior Management personnel of the Company.